

AMENDING THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 TO PERMIT
CANDIDATES FOR ELECTION FOR FEDERAL OFFICE TO DESIGNATE AN
INDIVIDUAL WHO WILL BE AUTHORIZED TO DISBURSE FUNDS OF THE
AUTHORIZED CAMPAIGN COMMITTEES OF THE CANDIDATE IN THE
EVENT OF THE DEATH OF THE CANDIDATE

APRIL 22, 2008.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. BRADY of Pennsylvania, from the Committee on House
Administration, submitted the following

R E P O R T

[To accompany H.R. 3032]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 3032) to amend the Federal Election Campaign Act of 1971 to permit candidates for election for Federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. DESIGNATION OF INDIVIDUAL AUTHORIZED TO MAKE CAMPAIGN COMMITTEE
DISBURSEMENTS IN EVENT OF DEATH OF CANDIDATE.**

(a) IN GENERAL.—Section 302 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following new subsection:

“(j)(1) Each candidate may, with respect to each authorized committee of the candidate, designate an individual who shall be responsible for disbursing funds in the accounts of the committee in the event of the death of the candidate, and may also designate another individual to carry out the responsibilities of the designated individual under this subsection in the event of the death or incapacity of the designated individual or the unwillingness of the designated individual to carry out the responsibilities.

“(2) In order to designate an individual under this subsection, the candidate shall file with the Commission a signed written statement (in a standardized form developed by the Commission) that contains the name and address of the individual and the name of the authorized committee for which the designation shall apply, and that may contain the candidate’s instructions regarding the disbursement of the funds involved by the individual. At any time after filing the statement, the candidate may revoke the designation of an individual by filing with the Commission

a signed written statement of revocation (in a standardized form developed by the Commission).

“(3) Upon the death of a candidate who has designated an individual for purposes of paragraph (1), funds in the accounts of each authorized committee of the candidate may be disbursed only under the direction and in accordance with the instructions of such individual, subject to the terms and conditions applicable to the disbursement of such funds under this Act or any other applicable Federal or State law (other than any provision of State law which authorizes any person other than such individual to direct the disbursement of such funds).

“(4) Nothing in paragraph (3) may be construed to grant any authority to an individual who is designated pursuant to this subsection other than the authority to direct the disbursement of funds as provided in such paragraph, or may be construed to affect the responsibility of the treasurer of an authorized committee for which funds are disbursed in accordance with such paragraph to file reports of the disbursements of such funds under section 304(a).”.

(b) INCLUSION OF DESIGNATION IN STATEMENT OF ORGANIZATION OF COMMITTEE.—Section 303(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(b)) is amended—

(1) in paragraph (5), by striking “and” at the end;

(2) in paragraph (6), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(7) in the case of an authorized committee of a candidate who has designated an individual under section 302(j) (including a second individual designated to carry out the responsibilities of that individual under such section in the event of that individual’s death or incapacity or unwillingness to carry out the responsibilities) to disburse funds from the accounts of the committee in the event of the death of the candidate, a copy of the statement filed by the candidate with the Commission under such section (as well as a copy of any subsequent statement of revocation filed by the candidate with the Commission under such section).”.

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to authorized campaign committees which are designated under section 302(e)(1) of the Federal Election Campaign Act of 1971 before, on, or after the date of the enactment of this Act.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 3032 is to permit candidates for election to Federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate, and to provide instructions regarding the disbursement of such funds by the designee. H.R. 3032 ensures the prompt and orderly disbursement of campaign committee funds in the event of the death of the candidate, notwithstanding any conflicting provision of state law.

SUMMARY OF THE LEGISLATION

H.R. 3032 amends section 302 of the Federal Election Campaign Act of 1971, by adding a section providing that a candidate for Federal office may submit to the Federal Election Commission a statement designating an individual to be authorized to direct the disbursement of the funds of the authorized campaign committees of the candidate in the event of the death of the candidate, and may also provide instructions regarding the disbursement of such funds. The Federal Election Commission is directed to develop such forms as are necessary to implement H.R. 3032.

COMMITTEE CONSIDERATION OF THE LEGISLATION

INTRODUCTION & REFERRAL

On July 12, 2007, Mr. Jones of North Carolina introduced H.R. 3032, which was referred to the Committee on House Administration.

MARKUP

On April 2, 2008, the Committee on House Administration met to mark up H.R. 3032. With a quorum present, the Committee favorably reported H.R. 3032, as amended, by voice vote.

MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

COMMITTEE RECORD VOTES

Pursuant to clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on House Administration in its consideration of the bill, H.R. 3032.

Ehlers amendment

The first amendment adopted by voice vote was offered by Mr. Ehlers of Michigan, and provides that only a federal candidate, by signed statement, may designate an individual to be authorized to direct the disbursement of federal campaign funds from the candidate's federal political committee in the event of the death of the candidate.

Capuano amendment

The second amendment, by Mr. Capuano of Massachusetts, also adopted by voice vote, provides that a candidate may designate a second individual who will be authorized to disburse funds of the authorized campaign committees of the candidate after the death of the candidate, in the event that the primary designee becomes unavailable or unwilling to carry out the responsibilities.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) rule XIII of the Rules of the House of Representatives, the Committee states that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

GENERAL PERFORMANCE GOALS AND OBJECTIVES

The Committee states, with respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, that the goal and objective of H.R. 3032 is to permit candidates for election for Federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate. The designation and instructions provided by a candidate under this provision shall continue in force until the termination of the candidate's committee

and the disbursement of all of the committee's funds, unless the candidate provides otherwise.

CONSTITUTIONAL AUTHORITY

In compliance with clause 3(d)(1) of rule XIII, the Committee states that Article 1, Section 4 of the U.S. Constitution grants Congress the authority to make law governing the time, place and manner of holding federal elections.

EARMARK IDENTIFICATION

Pursuant to clause 9 of rule XXI, H.R. 3032 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. H.R. 3032 is intended to preempt all state laws to the contrary.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

APRIL 11, 2008

Hon. ROBERT A. BRADY,
Chairman, Committee on House Administration,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3032, a bill to amend the Federal Election Campaign Act of 1971 to permit candidates for election for federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of a candidate.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PETER R. ORSZAG.

Enclosure.

H.R. 3032—A bill to amend the Federal Election Campaign Act of 1971 to permit candidates for election to federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate

H.R. 3032 would amend federal law to allow any candidate for federal office the option of granting an individual the responsibility of disbursing any campaign funds in the event of the candidate's death. Under current law, that role lies with the campaign treas-

urer. The Federal Election Commission (FEC) would be responsible for regulating the process and registering the information.

Based on information from the FEC and subject to the availability of appropriated funds, CBO estimates that implementing H.R. 3032 would cost the FEC about \$500,000 in 2009. That amount includes one-time computer-related expenses as well as the cost of formulating new regulations. In future years, the legislation would increase general administrative costs of the FEC, but we estimate those costs would not be significant.

Enacting H.R. 3032 could affect federal revenues by increasing collections of fines for violations of campaign finance law. Such collections are recorded in the budget as revenues and, in certain cases, may be spent without further appropriation. CBO estimates any additional revenues and direct spending under H.R. 3032 would be insignificant because of the small number of anticipated violations.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

FEDERAL ELECTION CAMPAIGN ACT OF 1971

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TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

* * * * *

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) * * *

* * * * *

(j)(1) Each candidate may, with respect to each authorized committee of the candidate, designate an individual who shall be responsible for disbursing funds in the accounts of the committee in the event of the death of the candidate, and may also designate another individual to carry out the responsibilities of the designated individual under this subsection in the event of the death or incapacity of the designated individual or the unwillingness of the designated individual to carry out the responsibilities.

(2) In order to designate an individual under this subsection, the candidate shall file with the Commission a signed written statement (in a standardized form developed by the Commission) that contains the name and address of the individual and the name of the authorized committee for which the designation shall apply, and that may contain the candidate's instructions regarding the disbursement of

the funds involved by the individual. At any time after filing the statement, the candidate may revoke the designation of an individual by filing with the Commission a signed written statement of revocation (in a standardized form developed by the Commission).

(3) Upon the death of a candidate who has designated an individual for purposes of paragraph (1), funds in the accounts of each authorized committee of the candidate may be disbursed only under the direction and in accordance with the instructions of such individual, subject to the terms and conditions applicable to the disbursement of such funds under this Act or any other applicable Federal or State law (other than any provision of State law which authorizes any person other than such individual to direct the disbursement of such funds).

(4) Nothing in paragraph (3) may be construed to grant any authority to an individual who is designated pursuant to this subsection other than the authority to direct the disbursement of funds as provided in such paragraph, or may be construed to affect the responsibility of the treasurer of an authorized committee for which funds are disbursed in accordance with such paragraph to file reports of the disbursements of such funds under section 304(a).

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 303. (a) * * *

(b) The statement of organization of a political committee shall include—

(1) * * *

* * * * *

(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; **[and]**

(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee**[.]**; and

(7) *in the case of an authorized committee of a candidate who has designated an individual under section 302(j) (including a second individual designated to carry out the responsibilities of that individual under such section in the event of that individual's death or incapacity or unwillingness to carry out the responsibilities) to disburse funds from the accounts of the committee in the event of the death of the candidate, a copy of the statement filed by the candidate with the Commission under such section (as well as a copy of any subsequent statement of revocation filed by the candidate with the Commission under such section).*

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